THE AMBASSADOR
Newfoundland & Labrador
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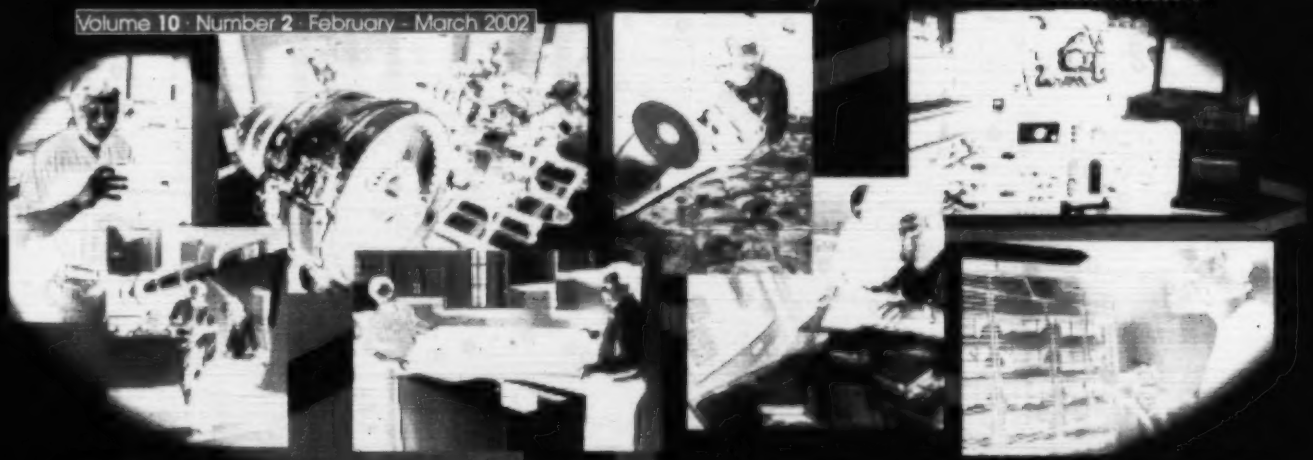


GIVING COMPANIES A "DOUBLE EDGE"

Getting the EDGE in stimulating economic growth takes on a whole new meaning as changes to the Economic Diversification and Growth Enterprises (EDGE) program continue to make Newfoundland and Labrador a more attractive place to do business.

Recent amendments to the EDGE Act include a new 50 per cent rebate on federal corporate income tax to new EDGE-designated companies. This unique incentive sets the province apart from all other provinces in what is becoming an increasingly competitive market for new business investment.

"These changes make Newfoundland and Labrador a very attractive jurisdiction for encouraging new business investment. No other province offers the 'double EDGE' advantage that we are offering," says Beaton Tulk, Minister of Industry, Trade and Rural Development. "This rebate, along with the existing 100 per cent rebate on provincial corporate income tax, will give the program its 'double EDGE'" Minister Tulk added.

Another change to the existing EDGE program increases the tax holiday period for new EDGE-designated companies that establish or expand outside the Northeast Avalon region to 15 years from the current 10 years. The two-tier structure will provide additional incentive to attract business investment to rural areas of the province, where the need for economic stimulus is greatest.

The program continues as a performance-based incentive program where businesses receive financial benefits only after they invest their own money, create new jobs and produce real results.

Established in 1995, the EDGE program provides business incentives to diversify the economy and stimulate private sector job creation. Currently, there are 72 EDGE-designated companies across Newfoundland and Labrador, which have created more than 1,600 new jobs and invested approximately $190 million dollars in the province.

Companies seeking EDGE status can be either new businesses or existing businesses looking to expand in the province, where a minimum of $300,000 in new capital investment is made or $500,000 in incremental annual sales are attainable, and where there is the potential to create and maintain a minimum of 10 new permanent jobs. Companies seeking EDGE status must also demonstrate that, in the absence of the EDGE incentives, the new business activity would not take place in the province or at the time when it is proposed to do so. The new business activity must also result in a substantial net economic benefit to the province.

Incentives continued under EDGE include a tax holiday from provincial Corporate Income Tax, the provincial health and post-secondary education tax, and municipal property and/or business taxes in participating municipalities, followed by a five-year phase-in of all of these taxes; access to unserviced Crown land for a $1 nominal fee; and access to a government facilitator, who will help companies speed the process of qualifying. •

Did you Know?

1 Newfoundland and Labrador is achieving for record employment levels. According to the latest Labour Force Survey from Statistics Canada, employment in the province continued to move upward with an increase of 2.3 per cent or 4,700 jobs this past November as compared to November 2000. In nine of the 11 months to date in 2001, record monthly employment levels have been set.

2 More than $3 million in funding for 49 projects throughout the province has been announced under the Fisheries Diversification Program. The program provides funding for research and development initiatives that reflect the strategic economic development priorities of the Newfoundland and Labrador fishing industry.

3 St. John's company has received $4.3 million repayable funding from the Technology Partnerships Canada program to support research and development of its advanced sensor technology. Instrumar Limited, which provides sensor technology in the oil and gas industry, had recently completed an equity financing program of $5.5 million. The company is aggressively marketing the system to the synthetic polymer fibre industry.

4 Three business leaders, past and present, will be recognized for their contributions by Junior Achievement's Newfoundland and Labrador Business Hall of Fame. Robert Gillespie Reid, Alec D. Moores and Ches Penney will be inducted to the Hall of Fame on April 30th.

INTERNATIONAL TRADE

PROMOTING BUSINESS IN THE BIG APPLE

Team Canada Atlantic heads to New York

To date, exports from Newfoundland and Labrador to New York have included traditional resource-based products – non-crude petroleum products, frozen crab, lumber and newsprint. But local companies expecting to take part in a multi-sectoral trade mission in May hope to improve upon our business relationships and trade links with the great state of New York.

Team Canada Atlantic's trade mission to the United States will travel to New York City for the first time in May 2002. Up to 10 Newfoundland and Labrador companies are expected to take part in the mission, which will be led by the Prime Minister and the four Atlantic Premiers.

Team Canada Atlantic is an initiative of the four Atlantic provinces, the Government of Canada, ACOA, and the Canadian Manufacturers and Exporters. Its goal is to increase export opportunities for Atlantic Canadian companies. The initial concept, put forward by the Conference of Atlantic Premiers and New England Governors, resulted in the first trade mission to New England in April 1999. Since then, there have been two additional trade missions to New England: in May 2000 and in February 2001. Team Canada Atlantic also conducted trade missions to Atlanta, Georgia in May and November 2001.

Through regional cooperation, the Atlantic Provinces are able to combine limited resources to coordinate trade activities on a pan-Atlantic scale.

These missions continue a long tradition of trade links between Atlantic Canada and the United States. Eighty-two per cent of all exports from the four provinces are destined for the US marketplace. Exports from Newfoundland and Labrador to New York have increased significantly in recent years, rising from over $25 million in 1999 to in excess of $43 million in 2000. ▪

Team Canada to visit Russia and Germany

The next Team Canada mission will visit Moscow, Berlin and Munich, from February 12 to 22, 2002. Several Newfoundland and Labrador companies, representing the manufacturing, consulting and transportation sectors, among others, will be participating.

Russia offers Canadian companies promising business opportunities which reflect our geographic and climatic similarities: a wealth of natural resources, widely distributed urban settlements, and vast transportation and communications networks.

Since the reunification of Germany, the capital city, Berlin, is experiencing a dramatic renaissance as a centre for political decision-making, culture and new media. Berlin has also witnessed Europe's largest construction boom in recent years.

Munich, capital of Bavaria, is headquarters to some of Germany's most important businesses in such key sectors as the automotive, information technology, media, biotechnology and cultural industries.

Sponsored by the federal Department of Foreign Affairs and International Trade, Team Canada 2002 will be the seventh Team Canada trade mission led by Prime Minister Jean Chrétien with the participation of the Provincial Premiers and Territorial Government Leaders. Team Canada's goal is to open doors for Canadian companies and help increase their profile before Russian and German decision-makers.

OIL AND GAS

Province joins eminent energy organization

Newfoundland and Labrador has been admitted into the Energy Council, a legislative organization of 10 energy-producing states stretching from the Gulf of Mexico to the Arctic Ocean. Together, the Council's member states produce more than 80 per cent of the United States' oil and gas, and include leading coal, uranium, hydro and other renewable energy-producing regions.

Newfoundland and Labrador, represented by Mines and Energy Minister Lloyd Matthews, is now the third international affiliate. Membership will provide government and local industry with insight into current energy policies and issues of other energy-producing jurisdictions and permit the province to capitalize on opportunities for marketing the province's resources including the northeastern United States. The Energy Council is an influential North American organization. The elected legislators of the Council participate in the formation of energy policy at all levels. Venezuela and Alberta are the only other international affiliates.

Later this year, Newfoundland and Labrador will host a Consumers and Producers Forum on Energy. The top energy producers and customers from the northeastern United States and members of the Energy Council's Executive Committee will be in attendance. The forum will allow large potential customers in the northeastern United States to become familiar with Newfoundland and Labrador as an area that will be critical to North America's future energy supply. Public and private sector participants from the United States and Canada will discuss relevant topics and build relationships between producers and consumers. ▪

LABRADOR BECOMES FOCUS OF 2002 TOURISM CELEBRATIONS

Fire up the snowmobile – or dog sled if you happen to be the adventurous type – and get ready for a year-long celebration of our rich northern culture as Labrador becomes the focus of Newoundland and Labrador's tourism campaign in 2002.

Access North – Labrador 2002 will be the fifth in a series of celebrations held by the province since 1997. "The timing for a Labrador celebration could not be better," said Tourism Culture and Recreation Minister Kevin Aylward in announcing the initiative. "The events we have planned will boost the prominence of Labrador on the world tourism stage; this celebration will also recognize the contribution of the Moravian Church to the people of Labrador's North Coast over the past 250 years. As of 2002, all is ready, including tourism attractions on the South Coast and in the Straits area, for the launching of Labrador as a tourism destination."

To highlight Labrador's unique history and culture, the province is planning a year of events that will showcase a distinct geography and people, and the world is invited to attend.

Events and projects planned to highlight the Labrador 2002 celebrations, include a program to enhance economic development of the region through the tourism sector, focusing on both resident and non-resident markets.

There are four elements to the Labrador 2002 program, each containing sub-events, projects and initiatives which focus on the element theme:

Moravian 250 is a celebration of the 250th anniversary of the Moravian presence in Labrador and consists of the following major initiative:

- *Labrador Through Moravian Eyes: Historic Photographs from the Moravian Archives*, a travelling exhibit containing photographs and select artifacts of the 18th to 20th centuries borrowed from the Moravian Archives in Herrnhut, Germany. Affiliated with the exhibit is a glossy, high quality coffee table book containing 100 of the exhibit photos and available for retail sale.

Labrador Winter Trails focusses on the promotion of the newly completed 1,500 kilometre long, groomed Labrador snowmobile trail system and consists of three initiatives:

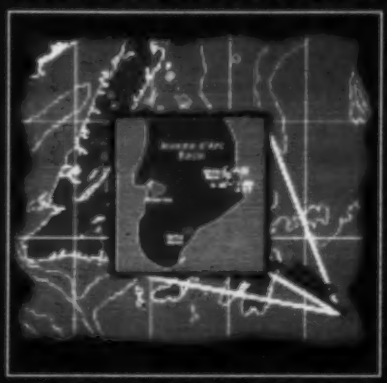
- *The Labrador Snow Safari*, a Labrador-wide snowmobile trek which will see participants depart from three regions and travel the snowmobile trail to arrive in Happy Valley-Goose Bay in time to participate in the opening of Sno-Break 2002 on the weekend of March 9.
- *The Labrador Passport Program*, a legacy project of the Labrador 2002 Celebrations designed to recognize and award snowmobilers who tour the full Labrador trail system, either in one trip or over a period of time.
- *The Snowmobile Festival Support Program*, a grant program which will provide the major snowmobile festivals of Labrador with funding to make a legacy investment or implement a pilot project within their 2002 events.

Destination Labrador is a marketing and communications program which will promote Labrador as a tourism destination to resident and non-resident markets by raising awareness of the region's unique products and experiences, and highlighting the 2002 event program. It will build on the current provincial marketing strategy and integrate the approach currently being developed for Destination Labrador's new tourism development and marketing plan.

Regional and Community Initiatives is composed of two grant programs:

- *The Community Events Support Program*, offers financial assistance to projects or events which support the themes of the Labrador 2002 Celebrations. It will encourage communities to develop unique ways to participate in the celebrations at the local level.
- *The Cultural Events Support Program*, provides funding to regional cultural organizations to enhance existing events or to initiate new, viable events. The program aim is to develop high quality, larger-scale regional cultural initiatives to increase Labrador's capacity to attract and support future tourism.

WHITE ROSE APPROVED FOR DEVELOPMENT



The Government of Newfoundland and Labrador has accepted the Canada-Newfoundland Offshore Petroleum Board's (C-NOPB) Decision Report approving the development plan for the $2.3 billion White Rose oil field.

This is the third project in a maturing offshore oil and gas industry that will maintain the growth established with the Hibernia and Terra Nova oil fields. It also demonstrates industry's belief that it is economical to develop smaller fields in the province's offshore while at the same time ensuring that major industrial benefits accrue to the province.

Significant industrial benefits are expected with the White Rose development, in addition to the estimated $500 million in royalties that will flow from the project, with plans by proponents Husky Oil and Petro-Canada to undertake within Newfoundland and Labrador in excess of 80 per cent of the development phase work that can reasonably be done in this province, and in excess of 80 per cent of all production phase employment.

The White Rose oil field, with recoverable oil reserves estimated at 230 million barrels (Hibernia contains about 750 million barrels, Terra Nova contains up to 400 million barrels), will be developed utilizing a Floating Production Storage and Offloading (FPSO) vessel. The FPSO will be designed to produce at a rate of 100,000 barrels of oil per day.

www.huskywhiterose.com

RECEIVING THE WORLD

2001 RECEIVING THE WORLD
CELEBRATING COMMUNICATIONS IN NEWFOUNDLAND & LABRADOR

Marconi Youth Outreach Program
A Newfoundland Science Centre unique and interactive educational program featuring in-class workshops for children in grades 4 - 6. The program will travel across the province, commencing the end of September 2001 with an aim to inform, educate and increase awareness of the connection between Marconi and our province and ultimately show the relevance of wireless communications in all of our lives today.

To March 31, 2002

The Sending Your Signal Program
provincially designed program open to Wireless and Communications businesses and organizations to provide financial assistance for the launching of new products or services.

To March 31, 2002

DEPT. CALENDAR

Team Canada 2002			
Feb.12-22, 2002	Moscow, Munich, Berlin	Harry Bishop	729-4784
CoreNet			
May 4 - 8, 2002	Salt Lake City	Maria Yablon	729-4936
Team Canada Atlantic			
May, 2002	New York City	Jonathan Brockway	729-5680
CoreNet			
Nov. 16-20, 2002	San Diego	Maria Yablon	729-4936

MESSAGE FROM THE MINISTER

Despite an economic downturn in most of North America, Newfoundland and Labrador remains one of Canada's brightest economic lights in 2002.

Private sector forecasts show growth in our economy into 2002 and beyond, with real GDP growth forecasts for this year averaging 4.5 per cent. While this growth will be concentrated in the oil industry, other sectors are showing positive signs of recovery in the wake of the events of September 11 in the United States. Retail trade and manufacturing show promise, and export-oriented industries are expected to rebound during the second half of 2002 as the American economy shows signs of recovery.

Employment in this province continues to be strong. According to recent figures, employment reached a record average of 211,300 jobs in 2001, representing growth of over 3% from 2000, and 1.7% above the previous record employment level of 207,400 set in 1990. Our workforce is better educated than ever, with 55 per cent of those employed having completed post-secondary studies compared to 45 per cent in 1990.

Overall, the outlook is positive as the province continues to be an attractive place to locate a new business or to expand an established enterprise. In the weeks and months ahead, local companies will travel to Moscow, Munich, Berlin, New York and Boston in search of new opportunities, for their companies, and ultimately for the benefit of all Newfoundlanders and Labradorians. My Department of Industry Trade and Rural Development will work with these companies to ensure the greatest opportunity for success.

Beaton Tulk

AMBASSADOR

Newfoundland & Labrador Canada
Department of Industry, Trade and Rural Development

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